

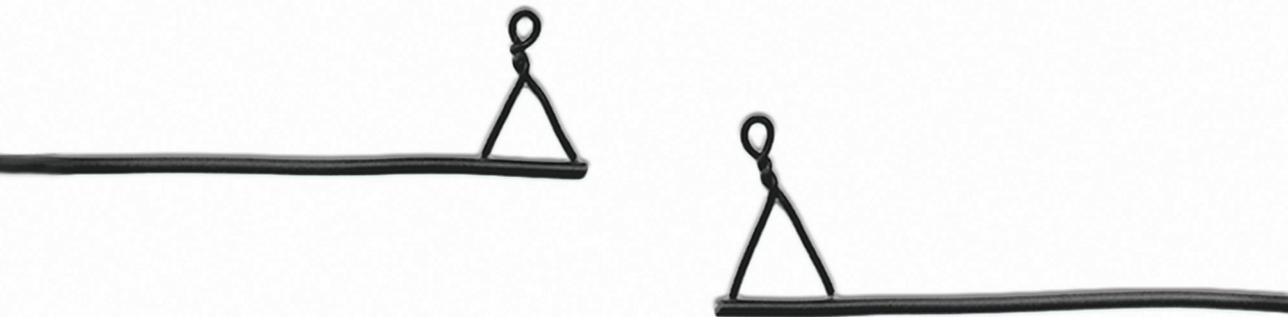
TO CHANGE OR NOT TO CHANGE?

TO CHANGE OR NOT TO

*The Surprising Reality
of Change In Organizations*

CHANGE?

RALF WETZEL & HOLGER REGBER



LANNOO
CAMPUS

D/2013/45/158- ISBN 978 94 014 0890 5 – NUR 801

© Ralf Wetzel, Holger Regber and Lannoo Publishers nv –Tielt, 2012.

The original, German version of this book was first published by the Swiss publishing house Versus in 2008. This publication was entitled *To change or not to change?: über die wunderliche Wirklichkeit des Wandels in Organisationen*.

Lannoo Campus Publishers is a subsidiary of Lannoo Publishers, the book and multimedia division of Lannoo Publishers nv

Cover and interior design: Fulya Toper
Graphic artist: André Kozik

All rights reserved.

No part of this publication may be reproduced and/or made public, by means of printing, photocopying, microfilm or any other means, without the prior written permission of the publisher.

Lannoo Campus Publishers
Erasme Ruelensvest 179, box 101
3001 Leuven
Belgium
www.lannoocampus.be

FOREWORD

We know much about organizations when it comes to science. And yet we seem to know almost nothing when it comes to our daily experience. Somehow, the link between the bright ideas of the many organizational scientists who have spent centuries exploring the subject of organizations and all the everyday problems of organizational life has been lost. We do not understand each other anymore, although we find ourselves in the same frames of reference every day. Despite having access to a highly diversified and elaborate body of scientific knowledge, we rely almost exclusively on trivial insights when we get to the bottom line of managing and surviving collective work and interaction. There are plenty of reasons, why the connection between academia and daily managerial pragmatism has been lost. Inaccessible, hermetic language and academic buddy talk on one side and complexity avoidance on the other are only a few very superficial. However, this book is not about the reasons why; this book is an attempt to re-establish the lost link. Our only ambition is to rediscover a language, to make science meaningful for everyday practice again. No long sentences, no citations or footnotes, almost no neologisms, but plenty of stories containing the wisdom of organizational practice as much as organization theory. We know this is a risky business, since we have already encountered complaints about us being neither scientific nor ‘practical’ enough. To be honest: we do not care much when this concerns formalisms or traditions. We do care a lot, however, about helpfulness, insightfulness, and comprehensibility.

Of course, we cannot cover all the wisdom of organizational theory, so have we decided to discuss a small ray of it, one which we both enjoy very much. It is a social sciences approach to organizations that we apply here, an approach open to complexity and irrationality. This text is therefore based upon a vast array of other people’s ideas, thoughts, insights, concepts and theories. We owe them more than a grateful mention, since we used them in a sometimes rather rude and unconventional way. In alphabetic order, these are: Nils Åkerstrom Andersen, Dirk Baecker, Christof Baitsch, Nils Brunsson, Peter Fuchs, Stefan Kühn, Niklas Luhmann, James March, Dietrich Schwanitz, Ole Thyssen, Karl Weick and Rudolf Wimmer. Details about the original texts of these authors are given at the end of the book. We owe even more gratitude to one person, although he is not an organizational scientist in the traditional sense, but a skilled and experienced organizational expert. He is a master of describing organizations without using the term even in a single instance, and he has coined

our way of describing the occidental world like no one else. We are most grateful to the Bard, to William Shakespeare.

In addition to these bright minds, our work has benefited enormously from the ideas, criticism, and comments of some remarkable people, whom we would like to thank for the delightful conversations and contributions. These are: Frank Dievernich, Marc Buelens, Frank Wang, Christoph Beer, Barbara Mesow, Ursula Rosenbichler, Jens Aderhold, Gudrun Stahn, Stefan Saborowski, Florian Reichert, Stephan Stock and the acting students of Bern School of Arts. Finally, we owe our highly supportive German publisher, the Versus Publishing in Zürich, namely Jean-Paul Thommen, Anne Büechi and Judith Henzmann, further on our thorough reader Carsten Möller, our incredible translator Kevin Lee Porter, our fabulous button-artist André Kozik and last but not least our highly supportive editor Niels Janssens from Lannoo Publishing, who took care of this English edition, a deep debt of gratitude.

Finally, we would like to point out that the KSV and all organizations in this book are artificial creations. They are the ‘coinage of our brain’ and have been invented for our purpose, as have the players in our play. Any similarities with living or dead persons are purely accidental and unintentional. By contrast, the modern trouble of organizations, of their routines, and their history has not been invented by us. In our attempts to identify and define these difficulties, the opportunities for observation afforded to us in the course of the scientific project on ‘Sustainable modernization and reflective intervention’, funded by the German Federal Ministry of Education and Research were an invaluable resource. The Vlerick Business School generously funded and supported the translation of the book. We would like to thank all our partners wholeheartedly for their instructive cooperation.

We hope the book will find its readers in the small discontinuities of daily life. On morning commutes, a break at the desk, or at a coffee bar after work, or even in a session at a Business School, we hope that it gives as much joy as insight and, above all, a smile to take with you on the road ahead.

Ralf Wetzel & Holger Regber

Leuven and Chemnitz

CONTENT

8		PROLOGUE
10	“TO HOLD, AS ‘TWERE, THE MIRROR UP TO NATURE”	<i>the play begins</i>
15	“SOMETHING IS ROTTEN IN THE STATE OF DENMARK”	<i>discovering organizations</i>
28	“SWEAR!”	<i>the dilemmas of leadership</i>
39	“COME HITHER, MY DEAR HAMLET, SIT BY ME”	<i>between project and organization</i>
49	“WITH THE VERY COMMENT OF THY SOUL OBSERVE MY UNCLE”	<i>the art of observation</i>
62	“I EAT THE AIR, PROMISE-CRAMM’D”	<i>the curse of solutions</i>
72	“THOUGH THIS BE MADNESS, YET THERE IS METHOD ISN’T”	<i>the conditions of consulting</i>
82	“YOU PLAY’D ONCE I’ TH’ UNIVERSITY, YOU SAY?”	<i>informality and organizational hypocrisy</i>
92	“THIS IS THE VERY COINAGE OF YOUR BRAIN!”	<i>when dreams better not come true</i>
101		CHAMELEON’S DISH <i>benefit and burden of reflexivity</i>
109		EPILOGUE
111		RECOMMENDED READING
114		AUTHORS AND ARTISTS

PROLOGUE

“Joe? It’s me, Harry.”

“I was expecting your call...”

“So? Are you finished?”

“I’ll have to disappoint you. I won’t be able to finish before lunch, sorry.”

Time is running out. It has been like this for a month, delay after delay. The deadline for the transcriptions in our project is this evening. Joe is usually someone you can rely on, one of my best people. If only I had more time to get involved in my projects sooner. When I look at the work done so far on the concepts for the new master’s degree, my project calendar taunts me with its red exclamation marks. Sometimes, I really want to have a second life!

“Joe, we are getting into a tight spot here. Our sponsor is breathing down my neck. Mehlhorn keeps calling every three days and wants to know what we can deliver when the project is finished. And we are still working on the initial transcripts!”

Silence, followed by a long sigh. Joe knows this as well as I do. I have to bite my tongue. I am aware of the fact that Joe and his students have spent the past few nights in front of their screens transcribing the recordings, discussions, and interviews we conducted with our project partners. We can only start to work on our analysis when they have finished. I am becoming worried about the point of the project, too. Can it really tell us anything substantially new about organizational change or change management? In my mind, I can see myself in the initial presentation with Mehlhorn and the external project auditors, and I can still hear my boss George and me go through the motions. That change management has to be pragmatic and focused, and so on. That we will produce a manual that steers clear of all the usual rhetoric and esoteric advice. A manual that finally offers some specific and unambiguous instructions. Did we overreach ourselves?

“And to top it all, George wants an interim report on his desk, tomorrow!”

In lieu of a reaction, all I hear is a long yawn.

I try to remember the situation of this plastics manufacturing company. It had been feeling market pressure for a while already, before we came in. Things had reached boiling point just before the start of our project. I’ll never forget the sales pitch with that old boy who founded the business. He was a tough nut to crack. No sense for science, and all he wanted was hard results, something *practical*. He must have known that something was happening around him. That’s why he had sold the company to

the EDOS holding a few years ago and is why he may have accepted us. He would have been too small to survive on his own. And out in the sticks ... Worthington is not exactly the hub of the world economy.

“Could you brief me of what happened since I was there with you?” I asked him.

“Well, you still remember the old boy? The board got worried when the figures didn’t add up after the sale. And they put him out to pasture. Our project was too little, too late for him.”

“And then they got a new director ...”

“Yes, they called this new guy in, Grader. And ever since, Grader has been trying to get on top of the situation. New management concept, implementation plans, tools. The whole smorgasbord. After all, I am happy that we could stay at all. Then things went not exactly the way I had expected them to. Maybe not as badly, but still...”

“What do you mean? Where do we stand?”

“Harry, I am right in the middle of transcribing the interviews. Ask me again in a week’s time, when I have had a breather. As I said: you will have the transcripts on your desk by lunchtime. And then we can start talking about interpreting and abstracting insights. You will be with me for that work, Harry, won’t you?”

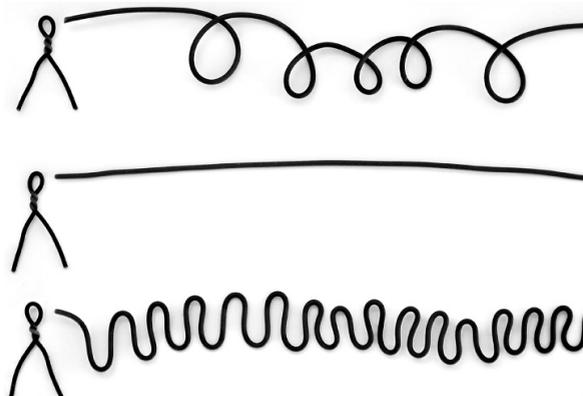
I take a deep breath. It can’t be that bad; it is a routine project. I swallow my worries. He is right.

“Of course,” I say, letting the air escape from my lungs.

“Sorry. I will have a look at your data and then I will see what I can get from it. I want this done, finally. Okay?”

“Okay, and don’t worry, Harry! Have a nice evening and good luck with George tomorrow. See you.”

Nice evening. I put the phone back down. I had kept this evening free to work on the transcripts. So what now? There is enough alternative work on the other side of my desk to do. *Nice evening.* Great joke. But why not have a good evening, actually? Nobody is waiting for me at home; I have even organized a babysitter. After a few minutes of web searching, I make my decision and leave the office alone. I am the last one around in this wing. So what?



1

"TO HOLD, AS 'TWERE, THE MIRROR UP TO NATURE": THE PLAY BEGINS

"Swear!"

The word reverberates like thunder. The young man stands less than twenty metres away from me and holds his two companions transfixed with his hard, solemn gaze. I enjoy the tingle down my spine when I see the shock in their eyes. More comfortable being in the audience, I tell myself and settle back in my box. After all of the stress of the last weeks, this evening is a real gift. But I can be selfish, just once. We should train that skill. I suddenly think of Joe and his transcription tapes and my conscience whispers to me. No, Harry, this is work-life balance in action. So, shut up and relax!

"And still your fingers on your lips, I pray. The time is out of joint. O cursed spite that ever I was born to set it right! Nay, come, let's go together."

I am starting to fiddle with the theatre programme. A fold here, a fold there, all in symmetry. As if our time were not out of joint. Pah! Good old Shakespeare is not so far removed from us. Only none of us has the courage to set our time right. Have we perhaps grown accustomed to its creaky joints? Market turbulences and dynamic values, we call it. Flexibility. Time-to-market. Aptitude for change. Innovation. Sustainability. But with all of these terms, we mean *problems*. Problems with stability, transparency, planning, recursion. The rest is... euphemisms. We do not set things right, we do not set the course. We are always playing catch-up. At least, we have some signposts and guides along the way.

Stop it, Harry! You should not use your first free evening in months to rack your brains about the platitudes of management literature on your desk. Not now. Enough.

Horatio: "Have after. To what issue will this come?"

Marcellus: "Something is rotten in the state of Denmark."

Horatio: "Heaven will direct it."

Marcellus: "Nay, let's follow him."

In the state of Denmark? True, but not just there. Every nation in the world is struggling with globalization and the turbulence of the times, and everybody is playing his

part to hide the problems that lurk behind the stage curtains. Wait, how did the story go? Hamlet was in Wittenberg and suddenly had to go home to Denmark's stuffy court life. His father murdered. The court as the state. Polonius, Rosencrantz and Guildenstern, and the whole lot of them, vain players in a ridiculous play. If you look at it, the court is nothing but a normal organization, with its posts, its hierarchies, its intrigues, and its informal structures. The court - like the state - is an organization.

My seat has suddenly lost all of its comfort. At court, you could look inward and spend endless hours on intrigues. But things were ripe for change, and soon France and England would be modern states, monarchies, parliamentary democracies. Not much would survive of the medieval court life. A century and a half to go. But the courtiers in our play cannot see the massive changes coming. Shakespeare's protagonist, Hamlet, was a man of the new world. No wonder he was going mad in Elsinore. I think of the pressure to change that every normal business is facing... it is increasing every day. So many managers are just sitting there, like frogs in the pot. Turn up the heat, the water will boil. So many courtiers who did not see what was in store for them. Hamlet knew what was waiting for Denmark. He had the opportunity to change the old system. Maybe Hamlet is the first change manager of the modern world? Nonsense. A sceptic as change manager? Court intrigue and management? You can't let analogies run away with you. But the idea occupies my mind for the next few scenes. I hardly notice the events on stage.

"I prithee, when thou seest that act afoot, even with the very comment of thy soul observe my uncle."

I finally get my mind to focus on the play at the moment when the trap is sprung. I remember my school days and drama lessons. A nice ploy, staging that play-in-a-play. Hamlet uses the travelling players to confront Claudius, the new king and alleged murderer of his predecessor, with the story of a murder and asks Horatio to watch the new king closely. Hamlet wants to know whether Claudius is affected by this mirror to his own deeds. And we can watch what is happening between the actors while they are watching other actors.

I have always loved this scene. Hamlet does not use any direct force; rather he is subtle, indirect. The king is forced to react but in a way that he cannot put down to any direct external pressure. Hamlet wants to produce an authentic reaction by some highly intriguing means.

"Dear Hamlet, sit by me," Queen Gertrude beckons her son. No, of course not – he wants to watch Claudius! He sits across from the king and queen, next to Ophelia. Polonius takes note, so Hamlet, the watcher, is being watched in turn. But nobody knows that he knows it.

“For look you how cheerfully my mother looks,” Hamlet tells Ophelia. Ophelia turns to see that everybody is looking at her. Observation observes observation. It is getting exciting! I lean back in amazement. Suddenly, I reflect on all of the things going on around me in my working life, in meetings, conferences, during market research, shareholder meetings – everybody is watching everybody else. Maybe modern management is not so different to this play. The parallels keep appearing in my mind. But stop, the play-in-a-play has started. The trap is sprung: Lucianus, the play-murderer, appears, while the play-king sleeps.

“Confederate season, else no creature seeing!”

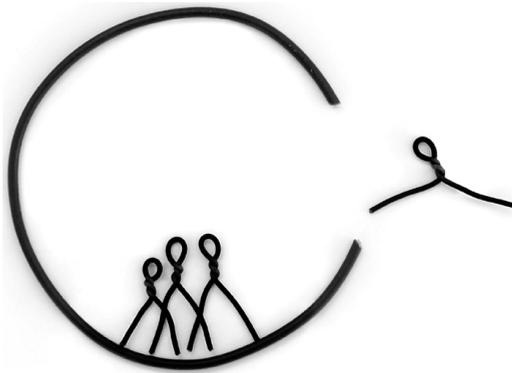
Those must be the lines that Hamlet inserted into the play. I cannot believe it – Hamlet has the actors talk about invisibility. It is Hamlet himself speaking, through the actor; he has hidden himself in the play. Claudius watches Lucianus and sees – himself, of course, because he is the real murderer of Hamlet’s father! Hamlet is hidden in the actor and he has become the accusing mirror. Hamlet, this accidental player, this disheartened son, this impossible enigma. We never know if he is pulling the strings or if he is a powerless puppet. I always thought that change management needed a protagonist who produces a crystal clear solution. But maybe it is all smoke and mirrors? At least we can hide our own insecurities if we make our own weaknesses and mistakes invisible to others. And using mirrors means we can never know what exactly is being reflected – for if we are holding the mirrors, we cannot see what is in them! In all we do, we get tangled in our objectives and the process, and we cannot see its reflection. So we are powerless, to some extent. Hamlet has a clear objective, but maybe he, like so many managers, cannot really foresee the effects of his actions.

Slow down, I tell myself. The play in the play reveals to the actors their roles and their reality. The theatre shows the audience their reality, their social environment, the strings they are tangled up in. Claudius the murderer sees the mirror of the play and sees himself in the person of Lucianus. The same should be true of any observer in any organization. The audience, that is we, and we are struck by ourselves ... The turbulence, interdependencies, and violent upheavals are hidden in each and every one of us. We are watching ourselves, watching ourselves.

Naturally, this includes me: I am watching and watching my gazing in the mirror. Suddenly, I have lost all interest in the rest of the tragedies of Elsinore. If I want to apply these associations, these observations and re-observations – what does it all mean for me? That change projects are small plays staged in the playhouse of the organization, in which we can watch each other and ourselves? Plays-in-plays, so to say? Plays that hold a mirror up to the organization? Maybe it is the organization try-

ing to find out what change is feasible, thinkable, or avoidable... without being able to control who exactly influences, distorts, or changes whom or what. Why not? We can see the effects of such plays, on stage and in life. Luckily for us, Shakespeare has authored some good comedies as well!

Maybe my parallels between Hamlet and modern managers are right. Many managers are doing their jobs in equally obscure circumstances and often with the same uncertainty about their efficacy. Especially where change and transformation are concerned, we are often sucked into the maelstrom of micropolitics and process dynamics. The turbulence that surrounds us reinforces this. The pressure, the changing nature of employment, precarious life concepts, ecological and moral conundrums – change management in a world of change. And change management itself is changing. Such confused times, times that are highly complex and obscure, should push us, their actors, to our mental and physical limits. Rising absenteeism, the multiplication of psychosocial illnesses, and the boom time of emotionality and morals in management literature have not appeared out of the blue. *Weeping and gnashing of teeth*, indeed!



Admittedly, the change manager who brings down the entire organization in his unstoppable will to uncover everything is a rare beast – but maybe such tendencies are present on the side of the audience as well? At the very least, both seem to lose control over the process, and failure is where the two figures meet. Maybe today's change managers resemble not heroes, but characters like Hamlet, who need performances as a vehicle for their messages, both for themselves and the people they want to reach. I had never thought of it like this! One does not see the setting, the stage on which all of this takes place. If my diagnosis is right – Goodness, what are we in for?

Maybe it would be worth my time to check these questions against Joe's transcripts. That would give me the peace of mind and professional detachment required for an

analysis, even if I do not actually have the time for it. I too am affected by the game; I am an empiricist, a sociologist, a Doctor of Sociology even. I start to look for pen and paper, but to no avail. Finally, a pen, stuck in between the seat cushions. Lucky me! I straighten out the folds in the theatre programme, which I have almost worn through, and note down a few of my ideas.

- ◆ *How are observation and organizational change linked?*
- ◆ *Is change management a type of performance, a show? Is it a play-in-a-play?*
- ◆ *Are managers the ghosts, the kings, the Guildensterns, or perhaps many Hamlets? And who is the author?*
- ◆ *Is change management really a manageable process?*
- ◆ *And what happens to us if the thesis holds that we are stuck in a tangled web of processes?*
- ◆ *What will this mean for management in future? Is it time to say good-bye to the managerial world that we know?*

The basic question that I keep coming back to is much simpler though: What happens when organizations need to change? And if they need to change at all, how should they go about this?

I leave the theatre with my thoughts going round in circles. I have the feeling I might be starting all over again, from afresh. This tingling sensation is both pleasant and worrying. Not *Shakespeare in Love...* *Shakespeare at the plastics company* – that's how the working title for my report stands. Tomorrow, I will buy a notepad. They are indeed quite essential.

2

"SOMETHING IS ROTTEN IN THE STATE OF DENMARK": DISCOVERING ORGANIZATIONS

15

"SOMETHING IS ROTTEN IN THE STATE OF DENMARK"; DISCOVERING ORGANIZATIONS

Friday. Finally, Friday. An entire week in the office. Phones ringing. Undergraduates calling. Filing conference expenses. Calming down this one, pushing that one, getting annoyed about the next one. Trying to get on top of all the projects in the department. Joining the meeting on the new course concept. Meeting to prepare the relocation of the institute. Meeting the undergrads about library research. Never working on any one issue for long. At least my call to Mehlhorn resulted in some respite from the interim report.

But now Friday has finally arrived. Today, I shall stay at home, away from all of that madness. I am at my desk in my study, glancing past my copy of James March on my shelf, which I unearthed recently. That's it: 'Organizational Foolishness' keeps running through my head as a quote. And I too am a fool, every day. It is a great and insightful read. But now, it is my turn to put pen to paper. Joe has delivered, finally, but only parts of what he was supposed to do. He has sent me two interviews on MP3, with transcripts attached. I have printed out hard copies and keep them ready at my side. My notes on the basics of organizations are here on my desk, next to the laptop. My tea is ready, and I start with the first documents from our original visit to the KSV. Let's go.

TRANSCRIPT KSV_GF_Mo1

Company: KSV Plastics Ltd., Worthington

Format: Regular

Agenda: Monday Meeting

Participants: James Grader, Managing Director; Derek Huber, Head of Production; Jacqui Lawless, Quality Assurance; Reginald Thornton, Operations Management; John Winter, Procurement

Minutes: John Glaser (Joe)

Date: 13 September

Time: 0900 hrs

Comments: None

Grader: Ms Lawless, Gentlemen, last Friday afternoon, I had a very unpleasant call. Avobus will downgrade us to B-class suppliers because of repeated delays and quality problems.

Winter: Here we go again. Excuse me, Mr Grader, but you won't know this yet: Avobus has been doing that for years. Now we are A-suppliers, then we are B-suppliers. That is just their procurement policy.

Grader: Is that so? And how, I beg you, can you explain that they would have downgraded us to C immediately if their system allowed for a double downgrade?

Huber: Strategy! I bet the next round of negotiations is coming up soon. And basically, we know how to deal with that. Both we and Avobus know when to talk official language and when not. You have to know when to use which language to negotiate.

Grader: I know when to switch Mr Huber and I know very well the difference between an official negotiation and a preparation meeting ahead of negotiations. My problem here is that we had official negotiations six months ago. I can try to go into informal conversation, but I don't think this is appropriate yet. The Avobus guys asked me whether I still believe in our "highest delivery reliability" promise given that seven main orders are overdue. To be completely honest – I don't! Therefore, I took the time on Saturday to look through our current orders.

James Grader tries to start the projector, but fails.

Grader: Mr Thornton, we have twenty-five ongoing orders and no less than fifteen of them are overdue.

Huber: You don't need the projector for that. I can tell you exactly which orders you are speaking about. For six of them, we are waiting for parts from procurement. Four orders had to be bounced back when the machines failed last week. And the other five have been put on hold by Jacqui, I mean, Ms Lawless.

Lawless: Only because your people have again used the wrong test equipment. So I have to double-check the entire batch again.

Thornton: Mr Grader, the projector...

Grader: Thanks. Now, as you can see on the chart, I have not looked at Avobus. Here we have Ecotech, Albertz, and Christinsen. Our top clients. And now look at the overview... Could you zoom in on that... Focus, please... Thanks! Let's get to it: it is the same picture everywhere. Late orders and reminders, delays, and complaints about quality.

Huber: No surprise there! I have been requesting two new deep-draw presses and a new CNC mill for years already. But your predecessor, Mr Woodhouse, kept on refusing. Not to mention my request for five more people in my team.

Winter: Mr Huber, Mr Woodhouse always followed the maxim that you can only invest what you earn. And that strategy has always served us well.

Huber: I know. And you are sticking by it. If you remembered to look at quality and punctuality in your purchases, it would save me a lot of trouble.

Winter: Being careful with money has never been a bad idea. In contrast to some of our competitors, the KSV has been around for over nine decades.

Grader: Gentlemen, let's leave it there. Mr Woodhouse managed the business his way. I will do it my way. And my way leaves no room for late deliveries. I want you to tell me: how can we resolve the quality and time issues for good?

Huber: Reg, say something at least!

Thornton: What do you want me to say? You are right. Of course you are. We are working the plant into the ground. Currently, we are at two double shifts extra every week. Every Saturday, early and late shifts. I can't bear to look at my people's overtime. And whenever one of our tooling crew is off sick, I may as well chuck the entire production plan in the bin and start over.

Huber: There you have it. Two deep-draw presses, Mr Grader, one mill, and five new faces, and you will have the most punctual producer in the market.

A mobile phone is ringing.

Grader: Ms Lawless, could you please keep your phone switched off during our meetings...

Lawless: Sorry, I thought it was the crèche.

Thornton: Something wrong with Max?

Lawless: He woke me up at three o'clock last night with earache. Got him back to sleep at four.

Huber: An infection?

Lawless: Not quite sure. Looked like it this morning...

Grader: Can we get back to the aches and pains of the KSV, please? They are bad enough. Critical, to be honest. Do you even understand what it might mean if we lose Avobus as a client?

Huber: For that to happen, they would first have to find a new supplier who can match us on price.

Grader: Mr Huber!

Huber: We are at the very limit, Mr Grader. You cannot push the plant anymore. I myself have been at my desk since a quarter past five in the morning. First thing I see is sick notes for two operators. Then the old 5316 decides to stop working. So I have to put in a repair request to get maintenance to get up off their backsides. Then I need to rearrange everything. Which orders can I bring forward so that the plant does not have to sit idle in the meantime? For one order, I need new parts, for the second, the papers are not ready yet, the third order is still in the press section... When I finally find a suitable order, or one

that the computer gives me a green light for, I notice that the hinges have simply disappeared. The computer says we have 2000 units on stock. Only they aren't there. So my section leader has been looking for single-axis hinges, black, dimension 32 mm.

Lawless: 73517-4?

Huber: The very same!

Lawless: We had them pulled on Saturday, because of microfractures along the apertures.

Huber: And why didn't anybody bother to tell me?

Lawless: I was only told this morning. And the 73517-4s were only planned for use next week.

Huber: It's not the first time that we have had problems with those hinges. Maybe we should finally start looking for a new source. If you only agreed to accept a slight premium on the purchasing price...

Grader: Enough! I want these problems resolved, for good.

Huber: So do we, Mr Grader! Do you think it is fun working like this? But EDOS AG finally needs to loosen the purse strings.

Grader: Mr Thornton, you have been very quiet. What is the view of operations about all of this?

Thornton: Well, I mean, Jacqui, don't be annoyed, but you quality assurance people are a bit finicky. Those microfractures occurred in maybe four or five hinges. And the screws are capped after assembly, so nobody would see anything.

Lawless: And what happens if somebody sees something? Then we have a recall on our hands and think of the penalties.

Thornton: Four, maybe five faulty hinges in over one thousand units, and they are hidden...

Lawless: Or we can go to the client to sift through the whole batch? Ecotech was the last time I will do that. You know how they see us by now: the guys who can't produce real quality. It took us one day to ruin a relationship we've been developing for more than five years. They don't believe our nice frontline talk anymore.

Grader: Ms Lawless, it is Mr Thornton's turn.

Thornton: Well, you are right. And Derek, I mean Mr Huber, is as well. It cannot go on like this. One problem just causes the next. Machines failing, quality deteriorating, faulty drawings, missing parts – and the reputation problems Jacqui mentioned already...

Winter: If you could just give me some more reliable plans, I could state definite deadlines and volumes in our orders.

Thornton: Mr Winter, don't always blame our planning. That is just not fair. I do not change the operations plans on a whim. I am constantly forced to improvise.

Which order do I need to stop? Which can I start instead? Are the facilities ready, are the drawings indexed correctly, can logistics adapt?

Grader: I know and understand all of those details. Only, I have to say it again: we need a lasting solution. Otherwise, the KSV will be history soon.

Huber: The last new machine was bought more than ten years ago. By your predecessor. And if we never do anything about the problems and only postpone the matter, the entire superstructure will come tumbling down. That is what we are facing now.

Winter: Roger Woodhouse always said: "Keep an eye on the costs, then we will stay viable as a business!"

Thornton: Great inheritance he left us. When the company goes down the drain, it won't affect Mr Woodhouse or you, for that matter. Woodhouse has retired to the seaside, you are off soon. And me?

Grader: Mr Thornton, it is nowhere near as bad as that. But to avoid anything like this, we need to act now to keep the KSV...

A phone is ringing.

Huber: Yes... OK, I'll see what I can do... Thanks... The drive system's blown on the 5316. I should go and have a look, else they won't get the parts.

Grader: I understand. See that you get that CNC thing back on line.

Huber: I need Mr Winter as well, so we can get the order sorted out.

Grader: Well, what are you waiting for? What I wanted to say is that we need to act now to stay competitive in the future. Our headquarters are watching us closely...

Ms Lawless' phone is ringing again.

Lawless: I am sorry, but it's the crèche. Yes... I'll be there... give me half an hour... So sorry, but it's his ears. I need to take Max to the doctor's.

Grader: Yes, you can go as well. Good luck with Max. But call me in the afternoon. Well, not much sense in a meeting with two people, is there?

Thornton: I was wondering whether I should not plan for the downtime of the 5316 and revise my plans for today.

Grader: Of course, that is important. But, Mr Thornton, I have a special mission for you. I noticed today that you seem to have the best sense for our problems as a whole. Can you take some time over the next two weeks and come up with a few suggestions about what we should do? You can come and see me, if you want. I have some documents from my last post, which might give you some good ideas about tools that we could use. So, to business. Business as usual, I mean.

I put the document down and look up from my desk: my beloved files, the heap of documents on the side table, the laptop in front of me. I am looking for some suitable music: 'Cool Jazz'. That seems about right. Now, I can start.

"Hi Daddy, are you in?"

Oh no. Please no. My daughter home already? Last three lessons cancelled? Puberty at home – that's not helpful. Dad this and Dad that. I know what's coming... Do her earrings match her outfit? Could she use my mobile instead of hers for urgent calls with friends? Should she cook something for me too (not a bad idea, for once). What I am doing? What *do* I do all day? Thin ice, very thin ice. But naïve old me naturally enters the debate. Big mistake. Explain organizations to a fifteen year old – and explain how you could be interested in them. Old fool! Better people than me take a whole lifetime to explain this. And the cleverest people do not try to answer the question at all. On my shelf, old James March is having a field day with my foolishness.

A good way to start, is to explain that organizations are something simple. If you want to get something down, get things moving, then you need an organization. Be it the fight against poverty or building a new dam or car, producing a new hit single or the next teen movie of the year, you need a lot of people and a common goal. And to stop all of those people from descending into pure chaos, you start to split the goal down into many small tasks that you give to them. So you need something that can regulate this distribution of labour. After all, you need to make sure that all of the parts join up again in the end.

"And that is what the boss is for?" she asks on her way to the kitchen.

"Well," I have to step back a bit, "the boss and a few people around him."

"Having a boss is silly," she says. "Why can't all the people take the decisions together?"

"Because that would end in a giant mess. People would debate forever, and if one of them is on holiday, or on the loo, or off sick, the entire process breaks down. That is why organizations have developed this simple technique: they are formed like pyramids. And the people on the upper layers have more of a say than the people below them. The advantage is that everything can be decided and arranged quickly – whether to produce this or that product, what to do when that person does not get along with this one, or if somebody is misbehaving. There is always somebody in charge."

She hates the entire idea. People should take the time it takes, is her feeling. True, if her mother has something to talk about with me, it also takes a lot of time. I, however, do not have the time to deliberate on the parallels between families and organi-

zations. I need a quick comeback or I will have lost the debate.

"It is a matter of time," I argue. "Organizations do not have the time to involve every member democratically. The clients keep changing their opinions – like you and your favourite bands – or the dollar goes up, because something is happening in the Middle East. Or the financial markets catch a cold because somebody in China sneezed. That is why the organization does not have the time to ask, say, the pantry staff for their opinion. That is why the organization defines who looks after what and where people can turn to if they are in doubt. That is why there are supervisors and routines or workflows. The routines regulate how to react in this case or that case. It's not very exciting, but it is effective. Organizations live by hierarchies and by repetition."

She cocks her head to one side and dares to ask me how I could spend my life on something this boring. I am getting annoyed.

"Shall I tell you something, Joanna? It gets really exciting when you start asking yourself how hierarchies and repetition influence our behaviour."

"How so?" she retorts.

I go on the counterattack: "What would you say if I told you that 95 percent of individual employees are of no concern at all to the organization? The organization only cares about its performance. And what do you think about the fact that it absolutely does not matter who delivers this performance, that every member of the organization is virtually replaceable? That this is another one of these techniques that keeps the machine going?"

I only read this recently, but it stuck in my mind and has now become a great weapon in my debate.

"But that is evil and heartless," she shouts. I have to suppress a smile. Now I have her. "Is it? But what if it only works like this? Does your school care about what you do at home, other than your homework? Does your dentist care about heartache? Does your dance teacher care about maths lessons? These are all organizations that care only about a tiny part of you. Your school expects you to turn up on time in the morning, to stay quiet in class, not to cheat in exams, and to finish your homework. Period. And it could not work any other way, because organizations would not get anything done if they worried about the 'whole person' and his or her problems."

The personal stories of the people in the KSV meeting do not matter much either. Above all else, they are expected to do their jobs. The crèche issue was a strange moment for that very reason. Organizations in which the 'whole person' matters are hard to find, I guess. In truth, it is only the church, the prison, and the family, with

me at its head, who care about the *whole* person. I had never noticed this strange analogy.

But Joanna stops me in my tracks. She fights back: “So you are nothing but lemmings who do exactly what your great organizations ask of you? You allow yourself to be shunted around like objects, as if you have no opinions or interests?”

She has me on the defensive again. How does that girl... Are they reading the *Morning Star* in school now or what? I must have a look at her bookshelf.

“I didn’t say that people in a company always accept this. But mostly, they do.”

Again, the KSV meeting. They fight, shout, interrupt each other. They accept disrespect and then they do what they are told. That only happens because a sign on somebody’s door says HR Director, or Managing Director, or simply Master Technician. Yes, we do accept that, but only in organizations. It’s awful, actually.

“And why?” she asks. Pause. I am hesitating.

“You get something back for it. Money. Appreciation. Social contacts etcetera.” I should have expected the reply...

“And what do I do? I get up every morning, leave for this stupid school at seven, although I want to sleep till ten. Do I get money? Or appreciation? Stupid marks, that is all I get if I cannot do what they expect of me.”

I want to shout, “See!”, but I stop myself. I need to change tack or the end of my daughter’s education is nigh. I start over, more cautiously this time. “I think there is more to it.”

“Is there?” she snaps.

Heavens, calm down, Harry. “Yes,” I continue. “It is not really as if we are all following orders, rules, and other people’s expectations all the time. We all have our tricks to get away from or subvert the rules as we want. You know exactly what you need to do with Mr Roder in physics class to get what you want, without making it look like you are breaking the rules. You just flatter him a bit, and continue to pass around your little notes and so on. That all works just fine and the organization accepts it.”

The play is back in my mind, especially Guildenstern and his flattery. The medieval court, that seems to be the prototype for informal culture in organizations.

“Okay, you got me there,” she admits. “But I can tell you that I would change one or two things. I would change how we sit and I would change the unfair scoring on our last exam. And I don’t need flattery or secret notes to do that.”

She is right about that, but as head girl, she has a position of some authority. Maybe that is what the KSV lacks: a robust, formal position that can state the facts with

certainty. A devil's advocate for the unpleasant points; somebody who mentions the mistakes and says what needs to change. But should that not be the job of management – or what else is it good for?

“There are generally people in organizations who try to live up to the rules and expectations that are placed on them. They give the processes a personal note. They keep the organization agile by accepting or tolerating rule-breakers to some extent.”

“But you just said the exact opposite!”

“These are two sides to the same coin.” I try to save my argument. “The organization sets the direction and its people turn it into their own thing, but they never really break with it.”

“Sorry, Dad, but you have lost me.”

“See it like this: every class has a certain relationship with its teacher. It is never the same for all instances. The same rules might apply, but how the teacher controls the class, how proactively he tries to ‘shake up’ the class, how he stands up to other classes or teachers, that is where you will find differences. And those are produced by the individuals in their individual places.”

Education lives – and I am on a roll. I continue with my lecture: “On the other hand, what the organization cannot put up with is people *actively* challenging its rules and routines. The organization believes that the way things are done, is the way things are done best.” Which sounds an awful lot like myself, I have to admit, though silently to myself. “And when the next guy comes along and says, ‘Look, the other way is much better,’ then the organization starts to worry and tries to avoid the issue with excuses or feigned ignorance.”

“What do you mean by ignorance?”

“I mean my asking you ten times to take the bins out and then you turn around to me and say, ‘I am off, Dad, see you tonight!’” Pause.

“I see, or when mum gets annoyed about the socks you leave lying around the flat and you turn around and play the innocent?” We stare at each other.

“Anyway,” she begins again, “I thought this organization thing was simple? That didn’t last long. Seems quite complicated to me.”

Leave it, I tell myself. Explain it to her again when she is grown up. You have better things to do, and she is only looking for a reason to not do her homework.

“Then tell me,” she goes on, while taking a yoghurt from the fridge, “if people stick to the rules and follow a common goal, like you tell me, then why are people always bickering? Sometimes I can hear our teachers arguing. And I see how angry you get when you are talking about your work or this George, your boss. Sometimes, I think that you are fighting just as much at work as we are at school. The only thing you

don't do is use your fists."

A touch, a touch, I do confess't. I have given up all hope of getting back to my work anytime soon. Well then, let's play the 'micropolitics and relations' card.

"Yes, that is true. You said it yourself: people follow their own agendas in organizations."

"But *you* said the exact opposite."

"I did not." I am becoming frustrated.

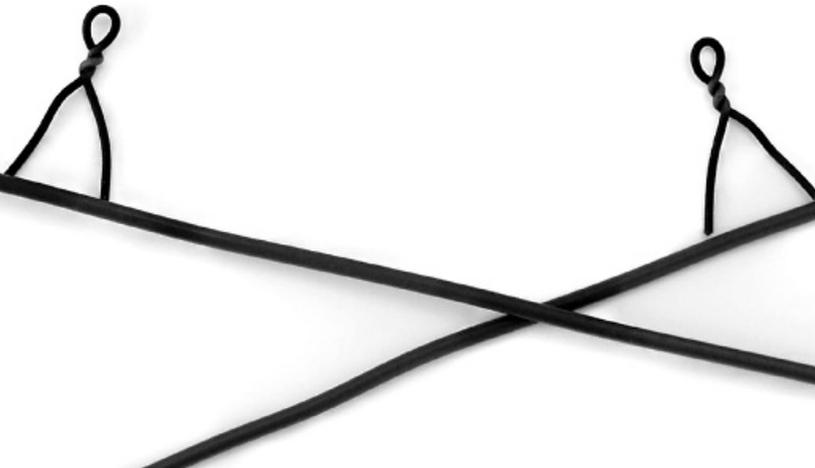
"Yes, you did. You said that employees only follow rules, not hidden agendas."

"Hold on. I said that the organization only cares about a little part of your personality. That is the part that it needs to complete its purpose. And that is something completely different."

"In *Sophie's World*, they call this sophistry."

This is going too far! "People can have their agendas without the organization caring about them. That was a valid point, not sophistry." I try again, this time more rationally: "If people start working together in groups or departments, then it can happen that they develop their own particular way of looking at things. Your mum and I have our idea of how we want to raise you, which may be different to the approach of other parents. In that sense, every family and every unit of an organization is a special case."

I have to think of the KSV meeting again. Winter, Huber, Lawless; they all represent particular units with particular ways of looking at the production process and particular goals. Winter cares about keeping purchasing costs low; Huber wants higher capacities; Lawless wants fewer complaints. And Grader worries about his standing in EDOS AG. Those are not just individual goals, but perspectives that are shared by entire departments and that come out into the open in uncertain times, like when there is a change at the helm of the company. In such situations, the game is afoot about which perspective will become dominant and who will gain how much power. This is exactly what I should write down. I am getting annoyed about being stuck in



the kitchen for an hour already, with no end in sight, but I continue nonetheless:

"Think of a manufacturing business. There, the marketing people will have a different opinion of effective work than their colleagues on the production floor – just as your classes all behave in their particular ways. And when a new teacher is brought in, maybe even a good-looking one or one with a lot of influence among senior management, then the classes will start to compete for his attention. Then, you all have to see who is able to assert his interests."

"You mean: we only fight because we want to gain or keep our influence in school?"

"Where the other classes are concerned, yes. In that sense, you are like the different units of an organization. Each class tries to defend its interests against the teacher."

"Sorry, Dad, but you have lost me again. All my friends and I want is to be left alone by the stupid boys and the teachers. Power or influence, I don't know about that."

"I am not saying that it *has* to be like this." I try to step back a little. "We only have two ways of describing one thing: you as a student, and I as a father who sometimes sees what is happening at your end. And that is not totally different to the manufacturing business that I work with."

"You are backtracking again!" she says triumphantly.

I am getting tired of this: "Nonsense. You will always find power and individual interests in organizations, when you look for it."

"I tell you what I always find: that companies say something different than what they do. Look at all the commercials. They promise me heaven on earth, but when I look at the tiny written ingredients on the back, I find the promise is empty. They praise the 'homemade' marmalade and it turns out not to be homemade at all. They claim they treat the environment responsibly, but Greenpeace show clearly that they don't. This is what I see. Your business, your organizations, they cheat! And you love working with such companies?"

Damn, please not morality – although she does have a point. KSV promised something with its "frontline talk" of 'highest delivery reliability'. And this promise has been broken; even Grader does not believe in it. But why do companies have such talk? Why are they not honest?

I cannot go on. My afternoon has disappeared down the drain. I will not be able to write a single word more, and my daughter is still badgering me.

"Yes. It can be fun, because organizations solve very important problems but in the same minute, they raise new ones. And now, Joanna, I really need to get back to my work. I am sorry. Later, okay?"

I shuffle back to my desk and shut the door behind me. I am annoyed, but mostly with myself. I have lost a lot of time and will not get much more done today. But that is not

the only reason I am annoyed... Joanna managed to keep me on the back foot for the entire time. Three minutes in, and we immediately started to argue, even though this should have been a matter of understanding, of education even. We both gave off signals on different levels and were not able to adjust to each other. Despite all of my professional communication skills, I was not able to stand up to the simple logic and moral tones of my daughter. All I needed to make the conversation constructive was attention, calm, detachment, and irony.

The talk with my daughter seems to have gone in the same direction as that first meeting at the KSV. The staff kept clashing, even though they should have worked towards an agreement, a shared investigation of the different standpoints. Nobody noticed what was going on – neither I in my talk with my daughter, nor the KSV staff in their meeting.

The need for an advocate of the uncomfortable opinion, for change, reappears in my mind. Is there no one who could tell the KSV what is happening in the organization? No one in the position to show what is holding it back? This should be the job of management. But how can Grader remove himself from the problem sufficiently? I stop my mind wandering and look through the heaps of documents on my desk. There is one empty notepad and I take a sheet from it and note down a few bullet points.

- ◆ *Organizations are complex beasts that might not be aware of their own complexity.*
- ◆ *People are stuck in ambiguity, between fulfilling formal expectations and shaping their roles individually.*
- ◆ *Hierarchies and divisions give the organization the necessary clarity and ability to function.*
- ◆ *At the same time, they create rivalries and competing points of view that are hard to reconcile.*
- ◆ *For some reason, organizations sometimes promise more than what they can give.*
- ◆ *Even management cannot remove itself from this. But management should at least be aware of it!*
- ◆ *And finally: we need an advocate for the uncomfortable opinion!*

If there is not enough time for a proper text, a few notes will have to do. I put the sheet down and look out of my window. Hamlet comes back to me and, with him, the struggles of medieval court life. No, I tell myself, Hamlet was no advocate, even if the problems at court do resemble those at the KSV. I light a cigarette. The court has lost its balance, it is out of joint. The KSV is also out of joint. In both cases, there are peo-

ple who have noticed this. However, the attempts to put it right again are not working. Something is rotten. Hamlet does however hold the mirror up to the court. He is doing what I want for the KSV (and for myself and my daughter). He shows the court how strange its workings are. And in doing so, he starts something that he had not planned for. Did these developments come about *because* of Hamlet or would they have come about even without his doing? Could he have prevented what happened? He has to change something, solve a massive problem. To this end, he uses subtle techniques, loses control, is traumatized, and the entire scheme ends in disaster.

27

It does not have to be end like this for the KSV. In this case, we are looking at quite a simple change process, caused by a problem that everybody should want resolved. That is much more straightforward than the situation at Elsinore. Yet it is too much for Grader, who is lacking the right mirror.

Joanna is right in a way: organizations are not as simple as they seem or, rather, the organization has stopped being simple. Simplicity has gone for good and our attempts at doing anything about it just make things more complicated. Maybe change management is a fad; the pressure for effective organizational change just a symptom of the fact that organizational change is not actually working and, at best, is a way to hide some of the frequent bouts of despair? I am surprised by these thoughts: the dominance of change management as a sign of its ineffectiveness. Careful, Harry, or you will demonstrate your own improbability!